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S.B. No. 601

A BILL TO BE ENTITLED

AN ACT

relating to the creation and activities of the Texas Produced Water Consortium.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 109, Education Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. TEXAS PRODUCED WATER CONSORTIUM

Sec. 109.201. DEFINITIONS. In this subchapter:

(1) "Agency advisory council" means the agency advisory council created under Section 109.202.

(2) "Consortium" means the Texas Produced Water Consortium.

(3) "Fluid oil and gas waste" has the meaning assigned by Section 122.001, Natural Resources Code.

(4) "Host university" means Texas Tech University.

(5) "Private entity" means an individual, corporation, or nonprofit corporation.

(6) "Stakeholder advisory council" means the stakeholder advisory council created under Section 109.202.

(7) "Technical steering committee" means the technical steering committee created under Section 109.202.

Sec. 109.202. TEXAS PRODUCED WATER CONSORTIUM. The Texas Produced Water Consortium is a consortium consisting of the host university, the agency advisory council, the stakeholder advisory

1 council, the technical steering committee, and private entities.
2 The consortium is created to bring together information resources
3 to study the economics of and technology related to beneficial uses
4 of fluid oil and gas waste.

5 Sec. 109.203. ADMINISTRATION. (a) The agency advisory
6 council is composed of representatives of the:

7 (1) Department of Agriculture;

8 (2) Railroad Commission of Texas;

9 (3) State Energy Conservation Office;

10 (4) Texas Commission on Environmental Quality;

11 (5) Texas Economic Development and Tourism Office
12 within the office of the governor;

13 (6) Parks and Wildlife Department; and

14 (7) Texas Water Development Board.

15 (b) Each entity described by Subsection (a) shall select a
16 representative to serve on the agency advisory council.

17 (c) The agency advisory council shall meet as often as
18 necessary to ensure the consortium meets the requirements of this
19 subchapter.

20 (d) The agency advisory council shall advise the consortium
21 on matters related to the subject matter expertise of the agencies
22 represented, including matters related to the regulation and
23 permitting of and treatment standards for fluid oil and gas waste.
24 Treatment standards may include a fit for purpose requirement and
25 regulations necessary for the protection of human health and the
26 environment.

27 (e) The stakeholder advisory council is composed of

1 representatives of:

2 (1) the oil and gas industry;

3 (2) agricultural water users;

4 (3) industrial water users;

5 (4) environmental interests;

6 (5) fluid oil and gas waste recycling operations;

7 (6) public water utilities;

8 (7) landowners or owners of groundwater rights;

9 (8) commercial water recyclers and midstream water

10 companies; and

11 (9) other appropriate interests or industries.

12 (f) The host university shall appoint members to the
13 stakeholder advisory council from members of the consortium. If no
14 member of the consortium represents an interest or industry
15 described by Subsection (e), the host university may appoint a
16 person to represent the interest or industry from outside the
17 consortium.

18 (g) The stakeholder advisory council shall advise the
19 consortium on matters related to research, investigation, and
20 contract development.

21 (h) The technical steering committee is composed of members
22 appointed by the host university to provide technical and
23 scientific expertise. The technical steering committee shall
24 determine the feasibility of proposals for research or
25 investigation by the consortium and decide which proposals the
26 consortium will accept for research or investigation.

27 Sec. 109.204. DUTIES. (a) The consortium shall study the

1 economics of beneficial uses of fluid oil and gas waste and
2 technology needed for those uses. After October 1, 2022:

3 (1) the research and investigation goals of the
4 consortium shall be directed by the members of the consortium; and

5 (2) the host university may disband the consortium if
6 the host university determines that the consortium does not have
7 sufficient membership.

8 (a-1) This subsection expires October 1, 2022. Not later
9 than September 1, 2022, the consortium shall produce a report that
10 includes:

11 (1) suggested changes to law to better enable
12 beneficial uses of fluid oil and gas waste, including specifically
13 changes designed to find and define beneficial uses for fluid oil
14 and gas waste outside of the oil and gas industry;

15 (2) suggested guidance for establishing fluid oil and
16 gas waste permitting and testing standards;

17 (3) an economically feasible pilot project for state
18 participation in a facility designed and operated to recycle fluid
19 oil and gas waste; and

20 (4) an economic model for using fluid oil and gas waste
21 in a way that is economical and efficient and that protects public
22 health and the environment.

23 (b) The host university shall:

24 (1) provide staff and other resources necessary for
25 the consortium to meet the requirements of this subchapter;

26 (2) consult with the New Mexico Produced Water
27 Research Consortium on completed research, data, and any other

1 matter related to the consortium; and

2 (3) solicit participation from:

3 (A) the oil and gas industry;

4 (B) agricultural water users;

5 (C) industrial water users;

6 (D) environmental interests;

7 (E) fluid oil and gas waste recycling operations;

8 (F) midstream water companies;

9 (G) landowners;

10 (H) owners of groundwater rights;

11 (I) public water utilities; and

12 (J) river authorities subject to Section

13 325.025, Government Code.

14 (c) The host university shall coordinate with other members
15 of the state university system and state agencies to provide
16 resources necessary for the consortium to meet the requirements of
17 this subchapter.

18 Sec. 109.205. FUNDING. (a) The agency advisory council and
19 the host university shall collaborate to create a fee structure
20 that establishes membership costs at various levels for private
21 entities that may contribute money to the consortium for research
22 and investigation. Membership costs may include contributions of
23 equipment or other resources in lieu of money.

24 (b) Money paid by private entities as membership costs may
25 be used only for research and investigation conducted by the
26 consortium.

27 (c) Except for state money appropriated to the host

1 university for use in meeting the requirements of Section
2 109.204(a-1) and resources provided by the host university and
3 other state university system entities or state agencies, the
4 consortium may not receive state money.

5 (d) The consortium may accept gifts and grants of money,
6 equipment, or other resources necessary to accomplish its duties
7 under this subchapter.

8 Sec. 109.206. ACCESS TO DATA. (a) In exchange for
9 membership in the consortium, a private entity may receive access
10 to data produced as a result of investigation by the consortium in
11 an amount proportionate to the entity's level of membership.

12 (b) A private entity's access to the consortium's
13 investigation data must be governed by a membership contract
14 between the host university and the entity that describes the data
15 to be released to the private entity.

16 (c) The consortium shall make information about the work and
17 progress of the consortium available to the public on an Internet
18 website maintained by the host university.

19 SECTION 2. (a) Not later than October 1, 2021, each state
20 agency described by Section 109.203(a), Education Code, as added by
21 this Act, shall select a representative to serve on the agency
22 advisory council of the Texas Produced Water Consortium, as
23 required by Section 109.203(b), Education Code, as added by this
24 Act.

25 (b) Not later than September 1, 2022, the Texas Produced
26 Water Consortium shall deliver the report required by Section
27 109.204(a-1), Education Code, as added by this Act.

1 (c) Not later than September 1, 2022, the Texas Produced
2 Water Consortium shall create the pilot project required by Section
3 109.204(a-1)(3), Education Code, as added by this Act.

4 SECTION 3. The Texas Produced Water Consortium, as created
5 by Subchapter E, Chapter 109, Education Code, as added by this Act,
6 is required to implement a provision of this Act only if the
7 legislature appropriates money specifically for that purpose. If
8 the legislature does not appropriate money specifically for that
9 purpose, the consortium may, but is not required to, implement a
10 provision of this Act using other appropriations available for that
11 purpose.

12 SECTION 4. This Act takes effect September 1, 2021.